

POLITICAL/MILITARY DEVELOPMENTS IN INDIA

HEARING
BEFORE THE
SUBCOMMITTEE ON NEAR EASTERN AND
SOUTH ASIAN AFFAIRS
OF THE
COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE
ONE HUNDRED SIXTH CONGRESS
FIRST SESSION

MAY 25, 1999

Printed for the use of the Committee on Foreign Relations



U.S. GOVERNMENT PRINTING OFFICE

59-863 CC

WASHINGTON : 1999

COMMITTEE ON FOREIGN RELATIONS

JESSE HELMS, North Carolina, *Chairman*

RICHARD G. LUGAR, Indiana	JOSEPH R. BIDEN, JR., Delaware
PAUL COVERDELL, Georgia	PAUL S. SARBANES, Maryland
CHUCK HAGEL, Nebraska	CHRISTOPHER J. DODD, Connecticut
GORDON H. SMITH, Oregon	JOHN F. KERRY, Massachusetts
ROD GRAMS, Minnesota	RUSSELL D. FEINGOLD, Wisconsin
SAM BROWNBACK, Kansas	PAUL D. WELLSTONE, Minnesota
CRAIG THOMAS, Wyoming	BARBARA BOXER, California
JOHN ASHCROFT, Missouri	ROBERT G. TORRICELLI, New Jersey
BILL FRIST, Tennessee	

STEPHEN E. BIEGUN, *Staff Director*
EDWIN K. HALL, *Minority Staff Director*

SUBCOMMITTEE ON NEAR EASTERN AND SOUTH ASIAN AFFAIRS

SAM BROWNBACK, Kansas, *Chairman*

JOHN ASHCROFT, Missouri	PAUL D. WELLSTONE, Minnesota
GORDON H. SMITH, Oregon	ROBERT G. TORRICELLI, New Jersey
ROD GRAMS, Minnesota	PAUL S. SARBANES, Maryland
CRAIG THOMAS, Wyoming	CHRISTOPHER J. DODD, Connecticut

CONTENTS

	Page
Cohen, Stephen P., senior fellow, Foreign Policy Studies, the Brookings Institution	24
Prepared statement of	27
Inderfurth, Hon. Karl Frederick, Assistant Secretary of State for South Asian Affairs, Department of State	2
Prepared statement of	6
Responses of Assistant Secretary Karl F. Inderfurth to additional questions submitted by Senator Brownback	14
Wisner, Hon. Frank G., vice chairman, external affairs, American International Group, Inc.	16
Prepared statement of	20

POLITICAL/MILITARY DEVELOPMENTS IN INDIA

TUESDAY, MAY 25, 1999

U.S. SENATE,
SUBCOMMITTEE ON NEAR EASTERN AND
SOUTH ASIAN AFFAIRS,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The committee met, pursuant to notice, at 10:07 a.m., in room SD-562, Dirksen Senate Office Building, the Hon. Sam Brownback (chairman of the subcommittee) presiding.

Present: Senators Brownback and Sarbanes.

Senator BROWNBACK. Thank you all for joining us this morning.

I understand Paul Wellstone, Senator Wellstone may be coming shortly, but his office has agreed that we go ahead and get the hearing started since we are past the appointed hour.

I want to thank you all for coming to the hearing this morning on the latest political and military developments in India.

It was a year ago that we planned to hold a hearing on this topic and wound up instead discussing the ramifications of the nuclear tests conducted by both India and Pakistan. As you know, these tests led to the immediate imposition of unilateral sanctions mandated by the Glenn amendment. While they are not the main topic of this hearing, I hope we will also cover where we stand today with regard to those sanctions.

Today's headlines are screaming about the failures in our understanding of China's foreign policy goals and intentions. It is ironic that for the past decade, much of America's foreign policy in Asia has focused almost single-mindedly on China, while we have largely ignored India.

The administration has favored rewarding China. Successive administrations have favored rewarding China, a country that has openly and continually challenged the U.S.'s interests and values, while first ignoring and now punishing India.

The administration's rationale has been that the United States must engage China because of its large population, its growing market for U.S. investment and its nuclear capability and modern military force.

I am frustrated by the double standard that appears to apply to the region; United States pandering to China, the world's largest authoritarian state, and punishes India, the world's largest democracy, which not only shares our basic values, but also has enormous potential as a strategic partner in the region.

It is my belief that the United States has real and legitimate political, economic and security interests in India, and we need to understand and engage with India on all levels as soon as possible.

Seizing the opportunity that we have to build greater ties with India should be one of our main foreign policy goals.

We are after all the two most populous democratic nations in the world. The relationship should be based on shared values and institutions, economic collaboration, including enhanced trade and investment, and the goal of regional stability across Asia.

Now, last June, the Senate passed legislation giving the President authority to waive economic sanctions on India and Pakistan. Since that time, however, we have moved forward. They have had, I think, good progress on that; although, I am troubled that now the administration appears to be more engaged in what I believe to be too much a single issue diplomacy with both India and Pakistan in an effort to pressure these two democracies to conform to benchmarks laid out by the administration.

Example, the ratification of CTBT: We seemed to have narrowed our relationship with India to this one issue. And we should not do that.

While security concerns are a vital issue, I do not believe they should be the only issue on which we deal with a country which is the largest democracy in the world. And certainly, we should not be putting all our eggs in the CTBT basket. After all, it is not even certain this treaty will be ratified in the U.S. Senate.

It is important to try to get both India and Pakistan to get their nuclear programs in line with international norms. It should not be the only issue.

Recent events in India have demonstrated the vitality of its democracy, and I look forward to hearing our witnesses' views on the current political situation in India and where this country is headed.

We have got several excellent presenters today. The first will be the Honorable Karl Frederick Inderfurth, Assistance Secretary of State for South Asian Affairs.

And we have a second panel of the Honorable Frank Wisner and Mr. Stephen P. Cohen.

I do look forward to being joined by my colleagues, and I look forward to a lively discussion on where the U.S./India relationship shall go.

Mr. Inderfurth, welcome again to the committee. We are always delighted to have you here. And the floor is yours.

STATEMENT OF HON. KARL FREDERICK INDERFURTH, ASSISTANCE SECRETARY OF STATE FOR SOUTH ASIAN AFFAIRS, DEPARTMENT OF STATE

Secretary INDERFURTH. Mr. Chairman, thank you very much for this opportunity to discuss today our view of recent political developments in India. And the—

Senator BROWNBACK. Mr. Secretary, if you could pull that microphone a little closer to you?

Secretary INDERFURTH. Closer?

Senator BROWNBACK. Yes.

SecretaryINDERFURTH. And also discuss our vision of what we would like to see our relationship with India become. I might say that I believe that our visions are quite similar about the relationship that we would like to have with India in the years to come, and I look forward to discussing that with you. And also I am sure you will be well informed by Ambassador Wisner and Mr. Cohen as they come after me.

I want to thank you and Senator Wellstone for your continued interest in this critical region.

I would also like to take this opportunity this morning to call attention to the departure of George Pickart, who is with me this morning, from the South Asia Bureau. As you know, George was a valuable member of the Foreign Relations Committee staff before coming to the South Asia Bureau 3 years ago as senior advisor.

He has done extraordinary work for us on economic issues, the environment, human rights and outreached to the U.S. business community and the South Asian-American community. He has also kept us in very close touch with Capitol Hill.

He has decided, however, to depart, take a position in the private sector. I wanted to take this opportunity to wish him well and great success and to let him know that he will be missed.

Senator BROWNBAC. Thank you very much for your service, George, and Godspeed to you in your new career.

SecretaryINDERFURTH. Mr. Chairman, India—

Senator BROWNBAC. Mr. Secretary, let us get that microphone again close to you. I see people kind of straining behind you. And I—we have to get better equipment up here.

SecretaryINDERFURTH. A person that used to make my living as a broadcaster, I am somewhat chagrined that I have to be told to— to speak up, but I will bring the mike closer.

Mr. Chairman, India is one of the world's most intense democracies. Its adherence to democratic rules was demonstrated in recent developments in India.

Prime Minister Vajpayee followed President Narayanan's recommendation for a vote of confidence when his coalition government lost the support of a key ally.

He subsequently resigned when he lost that vote of confidence by one vote. When it became apparent that no party could put together a parliamentary majority, President Narayanan dissolved Parliament and ordered the Independent Election Commission to set the dates for new parliamentary elections. He also asked Prime Minister Vajpayee to remain in a caretaker capacity until a new parliament is sworn in.

The election commission has announced that elections will take place over several days in September and early October; and a new government should be in place by mid-October.

Mr. Chairman, the coming elections will be India's third. And the next government will be India's sixth within a 3-year period.

India has had seven governments since 1989. These rapid changes in government are a sign of major shifts in the social basis of Indian politics, but they also indicate the fundamental soundness of the institutions of governance: The Parliament, the presidency, the judiciary and, above all, the Indian Constitution.

Mr. Chairman, I might add that the rise of coalition politics in India has coincided with the growing assertiveness of groups formerly at the bottom of the socio-economic ladder.

Disadvantaged groups have learned that numbers count in a democracy and they have forced the major political parties to pay attention to their interests. When established political parties fell short of expectations, these groups have started their own political parties.

One of the most persistent demands has been an expansion of India's policy of giving preferential treatment to the country's most disadvantaged groups.

Inscribed in India's Constitution is a quota system for society's most dispossessed, the Dalits. There are pressures to expand the notion of quotas even further, and that includes special provisions for the guaranteed representation of women at all levels of the political system.

The New York Times had an excellent front page article on May 3 by Celia Dugger about a low caste woman who occupied the highest elective position in a small village in India's largest state.

She and thousands of women like her across this vast country are paving the way for a further transformation of Indian society.

Mr. Chairman, with this devolution and diffusion of political power, it becomes imperative that we maintain close contacts with all the major political parties in India to ensure that our message is fully understood and our interests effectively pursued.

Ambassador Celeste and his predecessors have led our mission in India in pursuing this goal. And we are well served by the presence of three consulates in the other major regions of the country, which focus on regional trends and issues.

I and other Department officials have taken care to meet with leaders of Congress and other opposition parties on trips out to the field.

Deputy Secretary Talbott has consulted with the head of the Congress Party, Sonia Gandhi, and other national leaders, including former Prime Minister Gujaral during his visits to Delhi in the course of his 11-month-old security dialog with Foreign Minister Jaswant Singh.

I am confident that whatever government emerges from the current political process, we will be well prepared to engage immediately. More to the point, we will work with any government that emerges on the many important items on our agenda with India.

Obviously, non-proliferation is currently our central concern. Our dialog over the past 11 months has been dominated by the global reaction to India's and then Pakistan's nuclear tests.

While there is still much to do in that area to enable us to restore the bilateral relationship we had in May 1998—that is, before the nuclear tests and the imposition of Glenn sanctions—we still hope that we will be able to carry out President Clinton's goal set in 1997 to deepen our engagement with India and establish the broad-based relationship, I believe, we both seek and clearly you want us to have.

In this regard, Prime Minister Vajpayee in New York last fall called attention to his belief that the United States and India were "natural allies." We should strive to realize that goal rather than

remain what one scholar accurately described as “estranged democracies.”

Whether we are able in the coming years to consolidate our natural affinity or remain stuck in old negative patterns will be determined by the actions of both our governments.

Because we remain convinced that the vision we articulated and the broad interests we identified are still valid and worth pursuing, we will not be found lacking in our efforts to seek a common approach with India on the great issues of the day.

Mr. Chairman, I should stress that since the time of India’s nuclear tests, our two countries have made progress toward understanding each other’s security considerations, but we have yet to see the concrete actions taken that would help us to reconcile our differences.

We regretted the decision last month by India to test an extended range version of the Agni ballistic missile. While we have a much better understanding after eight rounds of dialog of what motivates India’s strategic thinking, our concern about further missile tests by India and Pakistan remains.

We nevertheless will seek to use the solid foundation we have established in the dialog to continue exchanges with whatever future government emerges.

It is our hope that we will be able to build on the work in this area we have done thus far, and to continue to make progress toward harmonizing our security concerns, to borrow a phrase from Foreign Minister Jaswant Singh. This new relationship, we believe, will benefit all concerned.

It is also our expectations that there will be continuity in the search for more stable and better relations between India and Pakistan.

The recent Lahore Summit, in which the Indian and Pakistani Prime Ministers displayed both foresight and courage in establishing a framework for bilateral cooperation and reconciliation, received the enthusiastic support of millions of Indian and Pakistani citizens.

Popular reaction to Lahore gives us the hope that any new Indian Government will see fit to carry this process forward.

As President Clinton said in a statement shortly after the February meeting of the two prime ministers, and I quote, “South Asia, and indeed the entire world, will benefit if India and Pakistan promptly turn these commitments into concrete progress. We will continue our own efforts to work with India and Pakistan to promote progress in the region.”

I would add that it is equally important that India and China engage on their own security concerns. In that respect, we are encouraged that these two nations, which are playing an important role on the world stage, have restarted their annual joint working group meetings to discuss border and other issues, which we hope will include broader security concerns.

Prime Minister Singh had earlier indicated the possibility of traveling to China. We hope he or his successor will do so.

We were also encouraged by Chinese Foreign Minister Tang’s statement that Beijing was committed to seeking good relations with India into the new century.

Mr. Chairman, in our public diplomacy since the May tests, we have sought to reach a broad audience, both in this country as well as in India and Pakistan, to explain the basis of our diplomacy toward these two countries.

Deputy Secretary Talbott has given a number of interviews and speeches in this connection, and he has written articles on the U.S./Indian dialog that have been widely disseminated at home and abroad.

I have also sought opportunities with the news media to lay out our thinking about South Asia and security.

We have done so, Mr. Chairman, because we firmly believe that the steps we are asking India and Pakistan to take in the security and non-proliferation areas are not merely steps that serve our own policy interests, but are steps that will enhance and increase their security and well-being and of South Asia as a whole.

Mr. Chairman, it is our hope, indeed our vision, that we will be able to move in the direction that both the United States and India desire.

We look forward to the day when differences over security policy no longer dominate the bilateral dialog. We look forward to the kind of broad-based relationship that we enjoy with many other democracies; one in which we are deeply engaged on an agenda of economic growth and trade, science and technology cooperation, cultural and educational exchange, law enforcement and in many, many other areas.

Our vision, Mr. Chairman, is not simply to return to the situation in which we found ourselves on May 10, 1998. We desire to raise our bilateral engagement to a new level of intensity, breadth and depth.

As President Clinton has said, we want a new United States/Indian relationship for the 21st century. And we would like to see that relationship begin as soon as possible.

Thank you, Mr. Chairman. And I am ready to answer your questions and respond to the committee's inquiries.

Senator BROWNBACK. Thank you, Secretary Inderfurth for your comments, and thank you once again for coming in front of the committee.

[The prepared statement of Secretary Inderfurth follows:]

PREPARED STATEMENT OF HON. KARL F. INDERFURTH

Mr. Chairman, I am pleased for the opportunity to discuss with you and your colleagues today our view of recent political developments in India. I want to thank you and Senator Wellstone for your continued interest in this critical region.

INDIAN DEMOCRACY

India is one of the world's most intense democracies. Some two thirds of the registered voters cast their ballots; dozens of political parties scattered across the ideological spectrum compete for the support of over 600 million voters; India's very free and very lively press devotes most of its attention to politics. Underneath the sound and fury of partisan politics in India is a firm foundation sustained by the strength of the institutions and traditions that permit people aggressively to advocate their views and push their interests.

This adherence to rules was demonstrated in recent developments in India. Prime Minister Atal Behari Vajpayee followed the President's recommendation for a vote of confidence when his coalition government lost the support of a key ally; he subsequently resigned when he lost by one vote—270–269. When it became apparent that no party could put together a parliamentary majority, President Narayanan dis-

solved Parliament and ordered the independent Election Commission to set the dates for new parliamentary elections. He also asked Prime Minister Vajpayee to remain in a caretaker capacity until a new parliament is sworn in. The Election Commission has announced that elections will take place over several days in September and early October. A new government should be in place by mid-October.

The coming elections will be India's third, and the next government will be India's sixth, within a three year period. India has had seven governments since 1989. The only one to serve its full five-year term in that period was that of Prime Minister Rao from 1991–1996. These rapid changes in government are a sign of major shifts in the social basis of Indian politics, but they also indicate the fundamental soundness of the institutions of governance: the parliament, the presidency, the judiciary and, above all, the Constitution. Throughout this period, the military has remained scrupulously outside the political process; the military has been firmly under civilian control since India's independence in 1947.

The rise of coalition politics in India has coincided with the growing assertiveness of groups formerly at the bottom of the socio-economic ladder. Disadvantaged groups have learned that numbers count in a democracy, and they have forced the major political parties to pay attention to their interests. When established political parties fell short of expectations, these groups have started their own political parties. One of their most persistent demands has been an expansion of India's policy of giving preferential treatment to the country's most disadvantaged groups. Inscribed in India's Constitution is a quota system for society's most dispossessed—the Dalits. There are pressures to expand the notion of quotas even further and that includes special provisions for the guaranteed representation of women at all levels of the political system. The New York Times had an excellent front page story on May 3 by Celia Dugger about a low caste woman who occupied the highest elective position in a small village in India's largest state. She and thousands of women like her across this vast country are paving the way for a further transformation of Indian society.

THE U.S. RESPONSE

Mr. Chairman, with this devolution and diffusion of political power, it becomes imperative that we maintain close contacts with all the major political parties in India, to ensure that our message is fully understood and our interests effectively pursued. Ambassador Celeste and his predecessors have led our mission in India in pursuing this goal, and we are well served by the presence of three consulates in the other major regions of the country which focus on regional trends and issues. I and other Department officials have taken care to meet with leaders of Congress and other opposition parties on trips out to the field. Deputy Secretary Talbott has consulted with the head of the Congress Party, Sonia Gandhi, and other national leaders, including former Prime Minister I.K. Gujaral, during his visits to Delhi in the course of his eleven-month old security dialogue with Foreign Minister Jaswant Singh. I am confident that, whatever government emerges from the current political process, we will be well prepared to engage immediately.

More to the point, we will work with any government that emerges on the many important items on our agenda with India. Obviously, non-proliferation is currently our central concern. Our dialogue over the past eleven months has been dominated by the global reaction to India's—and then Pakistan's—nuclear tests. While there is still much work to do in that area to enable us to restore the bilateral relationship we had in May 1998, before the nuclear tests and the imposition of Glenn sanctions, we still hope that we will be able to carry out President's Clinton's goal set in 1997 to deepen our engagement and establish the broad-based relationship I believe we both seek.

In this regard, Prime Minister Vajpayee in New York last fall called attention to his belief that the U.S. and India were "natural allies." We should strive to realize that goal rather than remain what one scholar accurately described as "estranged democracies." Whether we are able, in the coming years, to consolidate our natural affinity, or remain stuck in our old negative patterns, will be determined by the actions of both our governments. Because we remain convinced that the vision we articulated and the broad interests we identified are still valid and worth pursuing, we will not be found lacking in our efforts to seek a common approach with India on the great issues of the day.

SECURITY DIALOGUES

Mr. Chairman, I should stress that since the time of India's nuclear tests, our two countries have made progress toward understanding each other's security considerations, but we have yet to see the concrete actions taken that could help to reconcile

our differences. We regretted the decision last month by India to test an extended range version of its Agni ballistic missile. While we have a much better understanding, after eight rounds of dialogue, of what motivates Indian strategic thinking, our concern about further missile tests by India and Pakistan remains. We nevertheless will seek to use the solid foundation we have established in the dialogue to continue exchanges with whatever future government emerges. It is our hope that we will be able to build on the work in this area we have done thus far, and to continue to make progress toward “harmonizing” our security concerns, to borrow a phrase from Foreign Minister Jaswant Singh. This new relationship will benefit all concerned.

It is also our expectation that there will be continuity in the search for more stable and better relations between India and Pakistan. The recent Lahore Summit, in which the Indian and Pakistani Prime Ministers displayed both foresight and courage in establishing a framework for bilateral cooperation and reconciliation, received the enthusiastic support of millions of Indian and Pakistani citizens. Popular reaction to Lahore gives us the hope that any new Indian government will see fit to carry this process forward. As President Clinton said in a statement shortly after the February meeting of the two Prime Ministers, “South Asia—and, indeed, the entire world—will benefit if India and Pakistan promptly turn these commitments into concrete progress. We will continue our own efforts to work with India and Pakistan to promote progress in the region.”

I would add that it is equally important that India and China engage on their own security concerns. In that respect, we are encouraged that these two nations, which are playing an important role on the world stage, have restarted their annual Joint Working Group meetings to discuss border and other issues, which we hope will include broader security concerns. Foreign Minister Singh had earlier indicated the possibility of traveling to China; we hope he or his successor will do so. We were also encouraged by Chinese Foreign Minister Tang’s statement that Beijing was committed to seeking good relations with India into the new century.

OUR MESSAGE

Mr. Chairman, in our own public diplomacy since the May tests, we have sought to reach a broad audience, both in this country as well as in India and Pakistan, to explain the basis of our diplomacy toward these two countries. Deputy Secretary Talbott has given a number of interviews and speeches in this connection, and he has written articles on the U.S.-Indian dialogue that have been widely disseminated at home and abroad. I have also sought opportunities with the news media to lay out our thinking about South Asia and security. We have done so, Mr. Chairman, because we firmly believe that the steps we are asking India and Pakistan to take in the security and nonproliferation areas are not merely steps that serve our own policy interests—we are also convinced they will enhance and increase the security and well-being of both countries, and of the South Asian region as a whole.

Mr. Chairman, it is our hope—indeed our vision—that we will be able to move in the direction that both the United States and India desire. We look forward to the day when differences over security policy no longer dominate the bilateral dialogue. We look forward to the kind of broad-based relationship that we enjoy with many other democracies—one in which we are deeply engaged on an agenda of economic growth and trade, science and technology cooperation, cultural and educational exchange, law enforcement, and in many other areas. Our vision, Mr. Chairman, is not simply to return to the situation in which we found ourselves on May 10, 1998. We desire to raise our bilateral engagement to a new level of intensity, breadth and depth. As President Clinton has said, we want a new U.S.-India relationship for the 21st century.

Senator BROWNBACK. With the report out today on the Cox Commission and the breach of our security interests by the Chinese, it would seem to me critical that the administration in—in not only trying to stem the flow of technology to China, also try to engage much more aggressively and broadly with India to meet our security interests and to build a strategic relationship with India.

I would—you have noted the President’s comments. I would think he ought to get on the phone today with as high-level official as he could, even though India is in the middle of a transition in their government, and start to engage in this dialog of “How do we

broaden this United States/India relationship as an offset to what is taking place in China?"

What were your thoughts on that, Mr. Secretary?

SecretaryINDERFURTH. Mr. Chairman, we would rather not be in a position of choosing one or the other of the two countries of Asia that we are discussing this morning, China or India.

I think it is very clear that this administration has made a policy decision to try to engage both countries.

Engagement rather than isolation is the view that—of the President and the Secretary of State that—that that direction will be the most important for our long-term interest.

Clearly, these two countries have great differences. India is a democracy, a vibrant democracy, which is the reason that we are having this hearing this morning to discuss those recent developments.

China is not. China is an authoritarian regime. We have concerns with China that we do not have with India.

China's human rights record is abysmal. India's is a democratic tradition, one that we share concerns, but we applaud the—the democratic tradition in India and its practices.

We believe that we should not be in a position of trying to offset or play one against the other. We would like to engage both in terms that are productive for U.S. interests.

I would also say, though, that the reports of the last several days and the release of the report today, I am sure, will be read very closely in India to see what implications that report has for its security deliberations, and we will understand that.

The fact is that we have tried. Even though the pace sometimes has been slower than some would like, we have tried in these months since the nuclear tests, which were of great concern to us and still are, of a year ago—we have tried to better understand India's security concerns and requirements.

And those requirements, I am sure, will be affected by the information contained in the report released today. And how that plays into India's long-term requirements, we will have to see.

These are decisions that India will have to make, but we do hope that even as India addresses its security requirements, that it can also address the concerns of the international community about non-proliferation.

We think that these twin concerns can be harmonized, and we hope that India will be able to do that.

Senator BROWNBACK. What has been the initial reaction you have received from Indian officials about the Cox report, the technology that has gotten from the United States to China? What—what have you heard from Indian officials?

SecretaryINDERFURTH. We have not heard anything directly from Indian—Indian officials. There have been numerous press reports about this, editorials in the Indian press. We have not received, to my knowledge, any direct inquiries.

I am sure that they will want to see that report now that it is publicly released.

We are, as you know, in a period of a caretaker government. We will continue to have normal diplomatic relations with the Indian Government. But I do not envision that we will be able to have the

kind of intense dialog that we had before the fall of the Vajpayee government.

But we will certainly be prepared to answer any questions that they have about that report and discuss it with them.

Senator BROWNBACK. It would just strike me that if—if I were an elected official in India today, I would be deeply concerned about this breach of technology by a large country that sits right on my border that I have had difficulties with in the past.

SecretaryINDERFURTH. Well, I have had an opportunity to see an advanced copy of testimony that I think you will be hearing later this morning, which will touch on the—the China dimension and India's security concerns.

And I think that what you have said is absolutely right. That will have to be taken into account, and India's concerns about China go back many years. They are concerns that they have expressed very clearly to us.

As I noted in my testimony, however, we hope that these two countries that do play and will increasingly play a role in the world's stage in the 21st century, that they will address their concerns directly.

That is the only way that those issues can be fundamentally resolved, and we hope the expressions by both foreign ministers in both countries to pursue that engagement will—will take place; and the sooner the better.

Senator BROWNBACK. It just—it seems to me that we might be at a critical moment in our relationship to India if we do not put the portal through which that relationship is—is dealt with so narrow.

If we do it beyond just the issue of CTBT but say rather to the Indian government, the caretaker government, or whoever will follow after this one, "We want a very broad, expansive relationship," and if that were communicated directly and as much as possible now, that there would be a number of people in India and in the dialog that they have going on now with their people through the election process, that would be quite willing to engage the United States at this point in time that perhaps 5 months ago, 6 months ago they would not have been.

I wonder if we are not at a real strategic window here for us to rapidly expand the relationship with India and put as much intensity and focus on it as we do on China.

And I know that is not your desk; that is somebody else's. But we put a lot of time and effort in an expanded view in our relationship with China.

And we say, "Well, OK. You have got human rights problems. You have problems in Tibet. You have prison labor problems. You have forced abortion problems. You have religious persecution problems, but we are going to kind of look past all that, because we want a broad relationship with you in China."

And yet it seems as if India, we are saying, "OK, now, if you do not get through CTBT, we are not going to talk with you."

That—it just strikes me as not being balanced whatsoever, nor appropriate given the time and the situation and position that we, as America, find ourselves in relative to these two enormous and important countries.

Now, I hope you can correct me that my perception is wrong, but that is what strikes me as—as the situation that we present to both of these two important countries.

SecretaryINDERFURTH. Mr. Chairman, I would defer to my colleagues at the Department for a—a better description of our engagement with China, but it is my strong view that it has not been one to brush aside concerns on human rights.

I think our most recent human rights report made it clear that we will discuss all of our concerns on that score very publicly and openly and, quite frankly, to the great displeasure of the Chinese Government. And Secretary Albright has gone to Beijing and raised these as part of our whole agenda.

Now, on the question of our narrow portal, with respect to India and, indeed, Pakistan, it is broader than CTBT. And I think that in our discussions, you know that our concern about non-proliferation goes beyond CTBT to include fissile material production, export controls, strategic restraint or defense posture, about what next steps the two countries might take now that they have openly tested nuclear weapons, what they might do with respect to deployment or weaponizing, other things, which could lead to a nuclear or missile arms race, things of concern to us and, we believe, to them.

So our—our portal is broader than you have described it, but it is one that I think that recent events with respect to China should actually underscore the importance of addressing as soon as possible.

And I say that because in our view it is in India's interests to see an international ban on any further nuclear testing.

China has signed CTBT, but it has not ratified. We would not want to see China move away from that commitment.

We believe that a fissile material cutoff treaty is also important. China has stopped production of fissile material. But they have not stated so publicly. They are engaged in Geneva on the lead up to negotiations on an FMCT.

We believe it is in India's interest to see that the current freeze by China on fissile material continues and, in fact, made into an international treaty.

So we believe that there are boundaries around which the nuclear and missile competition can be constructed and that these international agreements are ways of doing that, that are in India's interests, in part because of their concern about China.

We would not want to see an open-ended competition between India and China in terms of their nuclear or missile programs and modernization, so we see this in—in India's interest as well, obviously, as in Pakistan's.

At the same time, I, too, share your view that we need to get beyond the single issue agenda. We do need to open up to have the kind of broad based relationship that the President indicated 3 years ago that he wanted to—to have with India. And we were moving in that direction until the tests.

And, again, the reaction to the tests a year ago was not just a United States reaction; it was an international reaction. And we have tried to, therefore, address that fundamental issue so we can move forward.

But let me just say this in—in a more encouraging optimistic fashion: It is clear that we cannot do a great deal on this during this period between now and October. It would be inappropriate for the United States to try to engage the government in New Delhi on fundamental issues in its current capacity.

But we will make it clear that as soon as a new government is formed, we want to re-engage immediately and to see whether or not we can go in the direction that you are recommending, to address our security concerns and to open up our dialog across the board—and perhaps, I hope, with Presidential engagement. He would like to do that.

Senator BROWNBACK. Good. Well, I would certainly encourage it and it seems to me, actually it is the right time to do it while the Indian people are having the discussion, their elected leaders, with them of the—through the process of an election.

On the floor of the Senate right now we are discussing the defense bill, and I anticipate putting up an amendment that would provide for a 5-year lifting of sanctions on both India and Pakistan.

I would hope that the administration could support us in this effort. One of the first things we have to do to broaden this relationship is get these sanctions off, and I would hope that you could support us in this amendment as we move it forward on the floor.

SecretaryINDERFURTH. Mr. Chairman, I anticipated that you would ask a question about the, what we are calling Brownback II. I—I hope you realize it has now taken on that—that nomenclature after your very valuable amendment last year, which was Brownback I.

If I may, I would like to simply give you our—our views on this—on this legislation and the process that you have initiated here.

Mr. Chairman, as progress has been achieved in our discussions with India and Pakistan, we have taken advantage of the limited waiver legislation enacted last year by the Congress, the Brownback amendment, to relax some of the sanctions against the two countries. And as you well know, that waiver expires in October of this year.

Although we are not prepared to waive additional sanctions at this time, we do seek comprehensive permanent national interest waiver authority for all of the Glenn and related sanctions against India and Pakistan.

In addition, in order to ensure a level playing field in a post-sanctions environment, we favor the repeal of the Pressler amendment, which affects assistance to Pakistan. And I understand that your new legislation includes that provision.

We have seen several proposals this year, including the one by you, which calls for outright suspension of many of the original sanctions and another by the House International Relations Committee to extend the current waiver authority for another year.

Mr. Chairman, the administration welcomes the readiness of Congress to extend the scope and duration of existing sanctions relief authority.

In our view, recent events have underscored the advisability of providing the President with flexibility in the form of waiver authority versus suspension, regarding both the scope and timing of sanctions relief. We believe this flexible instrument of diplomacy

can contribute directly to the goals that the Congress and the administration hope to achieve.

That said, we look forward to working together with this committee and other Members of Congress. As the various proposals move forward, we believe that this is an important undertaking and one we support.

Senator BROWNBACK. Now, I want to clarify here, the amendment I am putting forward will provide a 5-year suspension. I mean, we want to lift these sanctions and we do not want to hold it as a sword over the head of the Indians or the Pakistanis, purposefully stating to them: We want a broad-based engagement here. We want to move aggressively forward in the relationship with both India and Pakistan.

Now, I understand you to say you would—you would rather have waiver authority but you are not going to oppose the suspension that I am putting forward in this amendment.

SecretaryINDERFURTH. Mr. Chairman, we realize that this legislative process is starting here and will continue. We want to continue discussing our views with you on the national interest waiver authority versus suspension.

As I said in my statement just now, we would actually like to see this go even further to have comprehensive permanent authority for all these sanctions.

But we believe that this is a—a good start, one that we want to go forward. We will continue having discussions as we already have with you about this issue of waiver authority versus suspension.

But we do believe—because the clock is ticking on the authority we currently have, we do believe that it is very important for this process to begin.

Senator BROWNBACK. Well, we would appreciate your support in whatever form we can get. And again I just think it is critically important we send those sort of signals now, and that this is the point in time—we do it now.

And if we are to engage into a long-term relationship, we need to have some time with these and not just another 1-year waiver that is—that is, you know, people cannot really plan around. They do not know for sure what is going to take place.

And plus if these are countries that we want to really engage in for a long period of time, that we see as strategic allies, it should not be a year-to-year thing. This should be something that—we say, in my part of the world, “We are not planting an annual. We are planting a perennial.”

This is something we want each year, just keep coming up, but we do not have to plan it. We want a long-term relationship here and so it needs to be for a period of years.

SecretaryINDERFURTH. Mr. Chairman, we too want a long-term relationship. And we also said this publicly on several occasions: We also want to be moving in the direction of a sanctions-free relationship with both countries.

These sanctions clearly inhibit the potential we have with both India and Pakistan, two countries that we want to establish long-term sustainable relations with; two countries that are quite different in many respects.

We will have a different type of relationship with India than we will with Pakistan, but we consider both of them important friends and ones that we do not want to see encumbered with sanctions over time.

Now, I must say, though, that we believe that there are steps that they can take as well. We want to have choreography, if you will, in moving toward the kind of relationship with both countries that we wish.

We believe that there are steps that they can take to address not only our concerns but those of the international community on non-proliferation matters. And I know that you feel strongly about—about that issue.

We do not want to see other countries take a page out of India or Pakistan's book and move forward with their own nuclear or missile programs.

We do not want to see that proliferation of dangerous technology around the world. We, therefore, hope and believe that both countries can take steps in their own interests to address that; and as they do that, we can also move forward with establishing the kind of broad-based relationship that you are suggesting.

So these are things that we can do mutually. It is not an either/or. It is not just us, or just them or vice versa. These are things that I think that we can and we have established a basis over these 10 months—we can do these things together.

Senator BROWNBACK. Well, I hope we can move forward with good speed and deliberation and send those positive signals to the people across India and across Pakistan.

Thank you very much, Mr. Secretary, for your testimony. I have a couple of other questions that I would like to submit to you in writing rather than taking up the time here at the hearing today. [The information referred to follows:]

RESPONSES OF ASSISTANT SECRETARY KARL F. Inderfurth to Additional Questions for the Record Submitted by Senator Brownback

Question 1. In the past, Muslim and Sikh religious minorities have more frequently been targeted by religious intolerance than Christians. Has there been any improvement in the religious climate for these groups?

Answer. The past eighteen months have been comparatively quiet with respect to religious intolerance directed against Muslim and Sikh minorities in India. There are allegations from Sikh human rights groups that they are harassed by authorities in connection with their attempts to seek investigation into police excesses of the late 1980's and early 1990's but this has not translated into communal violence.

Question 2. Since the May 1998 nuclear tests, eight rounds of talks have been held between the U.S. Deputy Secretary of State and Indian Foreign Minister Jaswant Singh and between Talbott and Pakistan Foreign Secretary Shamshad Ahmad. What is the status of the talks—where has progress been made and where has it not? How will the talks be affected by a change in government in New Delhi?

Answer. Since the tests last May, we have engaged in intensive diplomatic efforts, both in concert with other countries and bilaterally, to convince India and Pakistan to turn away from the dangerous course they have set by their nuclear tests and ballistic missile competition. The United States remains fully committed to this effort. We support the benchmarks set forth in the P-5 and G-8 communiqués and UNSC Resolution 1172. We have tried in particular to move India and Pakistan toward near-term steps to defuse tensions and prevent an arms race.

These efforts have yielded some progress. India and Pakistan have declared a moratorium on further nuclear testing and have stated their intention to adhere to the CTBT. Both have committed to strengthening controls on the export of nuclear and missile technologies. Both have agreed to join talks in Geneva on a Fissile Material Cutoff Treaty. Finally, at the Lahore summit, the two countries' prime min-

isters committed their governments to intensify efforts to resolve the issues that have divided their countries for so long. Clearly, however, the Kargil conflict poses a grave risk to the progress both countries made at Lahore.

During Deputy Secretary Talbott's series of security and nonproliferation talks with India and Pakistan, we have also maintained contacts with a variety of parties across India's political spectrum. Therefore, we are confident that, whatever government emerges from the current political process, we will be well prepared to engage with it as soon as possible.

Question 3. In 1995, a joint Indo-U.S. steering committee was established to coordinate relations between the two countries' armed services, including exchange visits, technical assistance, and military exercises. What has been the status of this committee since the 1998 nuclear tests?

Answer. Before the nuclear tests of May 1998, the focal point for our military relationship with India was the Defense Policy Group (DPG), an annual steering group normally cochaired at the Assistant Secretary of Defense level. The DPG's mandate was to oversee military-to-military cooperation, security assistance, and defense research and production cooperation under a Joint Technical Group. The initial DPG meeting was held in 1995, and further sessions were held in 1996 and 1997. DPG activity was suspended in the wake of India's nuclear tests, and remains so pending further progress in the U.S.-India security dialogue.

Question 4. International Military Training Education (IMET) funding of the \$450,000 for India for FY1999 was restored under the India-Pakistan Relief Act. How are these funds being used?

Answer. India plans to send personnel to the Air War College and to an electromagnetic spectrum management course, and has requested course "slots" for the Army War College and Naval Command College. The total cost of all four courses is approximately \$130,000. Due to India's initial hesitation to take advantage of IMET following the restoration of the funding in December, and India's interest in a limited number of courses, it will not be possible to utilize the entire \$450,000 for India this year. Therefore, the remainder of the funding for this fiscal year is expected to be reallocated to other country programs with unfunded requirements. We will provide the appropriate notification to Congress of any such reallocation.

Question 5. There has been some confusion as to the legal authority for the Administration to place companies on the "entities list." Is it the Administration's position that the "Glenn Amendment" required the Administration to place some 300 Indian and Pakistani companies on the entities list? If not, why did the Administration expand the list? Please provide a list of those companies that comprise the entities list.

Answer. The Glenn Amendment required that the authorities of section 6 of the Export Administration Act of 1979 "shall be used to prohibit exports . . . of specific goods and technology (excluding food and other agricultural commodities)" to India and Pakistan after their May 1998 nuclear tests. There was no specific requirement to establish an entities list. As a matter of policy, to bring clarity for U.S. exporters and demonstrate to India and Pakistan the negative consequences of the steps they took, the Administration decided to impose restrictions on trade with selected entities having connections to nuclear, missile or military activities. The length of the resulting "entities list" for India reflects the size, diversity and decentralization of its economy. A copy of the list is attached.

[The list supplied has been retained in the committee files, but it can be accessed at the following site:]

<http://www.bxa.doc.gov/Entities/entity.htm>

Senator BROWNBACK. And as always, I deeply appreciate your willingness to come up because I know most people would rather go to the dentist and have a root canal or two than testify in front of a U.S. Senate hearing.

So I appreciate deeply your willingness to come up for the root canal. Thank you very much.

SecretaryINDERFURTH. It—it is not nearly as painful as you suggest. And I do want to, again, express my deep appreciation to you for your continued deep interest in the region and our relations, and we enjoy very much working with you. Thank you.

Senator BROWNBACK. Thank you, Mr. Secretary.

The second panel will be the Honorable Frank G. Wisner, vice chairman, external affairs, American International Group, Inc., New York, New York; and the other witness will be Mr. Stephen P. Cohen, senior fellow, Foreign Policy Studies, the Brookings Institute here in Washington, DC.

Gentlemen, thank you very much for joining us today. And, Mr. Wisner, I believe, we have got you listed first on the program. Unless you have arranged differently, we would like to have—I would like to have your testimony first.

STATEMENT OF HON. FRANK G. WISNER, VICE CHAIRMAN, EXTERNAL AFFAIRS, AMERICAN INTERNATIONAL GROUP, INC., NEW YORK, NY

Mr. WISNER. Senator, thank you very much. I am honored to appear before your committee.

The occasion is a special one for me as I served as Ambassador in New Delhi from 1994 to 1997, and in my work with the American International Group have been able to pursue my corporation's interests in India in risk management, in investments, notably in Indian telecommunication and computer software processing; and we have ambitions to expand into the insurance market, into health care and into consumer finance.

I have also had the privilege, Senator, of serving on the board of Enron Oil and Gas, which has substantial gas holdings in the fields off the Maharashtra shores.

And I have been privileged to be associated with a number of non-profit organizations, the U.S./India Business Council, the Council on Foreign Relations, the Asia Society, all of whom have followed matters related to India.

It is a special privilege, therefore, to join you today and reflect. I prepared testimony for the committee. I am submitting that testimony for the record and rather than read it through, would prefer, with your permission, to summarize my views and make a point or two in addition.

Senator BROWNBACK. Absolutely. And the full testimony we will put into the record as if presented.

Mr. WISNER. I admire enormously your taking the time today to receive all of us, to be able to consider an issue of the importance of our policy toward India and Pakistan, especially in the wake of the nuclear events of May 11, 1998 and the actions Pakistan took in—following it.

I recognize how many demands there are in your schedule and how many other issues, including our engagement in the Balkans, press upon your time. But the region is, as you noted, extraordinarily important, representing approximately a quarter of the world's population.

It is also an area of vital significance to the peace and stability of Asia and especially as the new century comes on us.

I believe and I join with you, Senator, that the time is right to lay the basis for a new security and political relationship with South Asia.

India has the attributes and is acquiring those of a major Asian power capable of playing a role in ensuring the balance of power

in the region and in the peace of Asia in the century ahead. Pakistan, in like manner, is critical to its own neighborhood.

The May 11 test in an ironical fashion, I believe, freed our diplomacy, for it gave us an opportunity to put our proliferation objectives into perspective, to recognize that there are broader issues; and now that the tests are over, to seek that expanded relationship that you have outlined.

The United States' diplomacy since the 11th of May has been active, more active than almost at any time in history; active directly with India and with Pakistan, with our allies in the Permanent V and the G-8, taking into account for the first time the China factor, as one great importance to the region, and seeking balance not only between the region and China, but between India and Pakistan.

I do not believe that South Asia is poised on the brink of a nuclear war. In fact, I believe there is promise in stabilizing the India/Pakistan relationship.

But it is a time to be attentive and careful, for the introduction of nuclear weapons and the intensified development of delivery systems have raised the stakes in the region, especially in light of the history of friction between the two nations and the rudimentary communications that have existed heretofore between the two governments and between New Delhi and Beijing.

I want to underscore the Delhi/Beijing issue, the China/India issue, for the risk that it poses to the United States and the world in the next century as these two great nations gain economic strength and military capabilities. And unless they are on an even keel, one with the other, they represent an issue of grave concern for all the rest of us.

The situation we face in South Asia, Senator, is not a result of the failure of our proliferation policies, our intelligence or the organization of our national security community.

While clearly we could do better in all of these regards, we have to be fair with ourselves and recognize that the nuclear event in South Asia flowed from factors that are related to that area: India's view of the world; its place in the world; the end of the cold war; and India's isolation as a result of the fall of the erstwhile Soviet Union; the issue of China, and the continuing tensions and difficulties between India and China; the success in a way of our proliferation initiatives.

The very fact that we moved from the NPT to the CTBT isolated India, increased the stakes in her mind that her ability to defend herself would decline. And sadly, India's negative attitude has been intensified by a long-standing Indian suspicion of the United States.

The issue of proliferation can only be attacked politically. And while some progress has been made, more must be.

And after the Indian elections are over, it would be my hope that the administration intensify its diplomacy and pursue a fresh broader relationship, as well as an understanding on the proliferation issues.

We must also keep China in mind, as you noted, engaging China in finding ways to reduce tensions in the region and increase dialog with the region.

We need to press China hard in this regard as we need to encourage India. But we cannot ever afford to let our relationship with China appear to be pursued at India's expense, any more than we—we can allow our relationship with India to appear to be pursued at Pakistan's expense.

Let me summarize several points. This is the time to intensify and broaden relations with South Asia.

We should allow no single issue to dominate the agenda. We should allow for a broad agenda, representing all interests, including proliferation ones. And I believe and I welcomed the word, the signal that Assistant Secretary Inderfurth gave this morning that there is a role for high-level visits—a visit by the President of the United States is long overdue, a visit by senior Cabinet officers needs to continue.

I believe that it is also vital to deal with the constraint of sanctions. On—our sanctions policy, in my judgment, has not served to deter the nuclear event—events we faced in South Asia. And we have relied excessively on sanctions to pursue our diplomacy.

Those sanctions have eroded our credibility. The effects on Pakistan have been extraordinarily severe. And U.S. business has paid a price. Overall, U.S. influence most importantly has paid the heaviest price.

I have written you separately and argued that, I believe, that sanctions should only—only be applied unilaterally if there is a direct threat to American national interests. If there is not, then sanctions should be considered after diplomacy is exhausted or needs reinforcement and then in a multilateral context.

The above features should be accompanied by waivers and sunset provisions.

And therefore, I—I support the initiative that you have outlined today as well as the legislations that Senators Lugar, Kerry and Hagel have under way and Congressmen Crane, Dooley and—and Manzullo, especially their call for a careful assessment of the consequences of sanctions before the United States enters into them.

It is key, Senator, I would argue, to return to our opposition to secondary boycotts and therefore to deal with the ILSA and Helms/Burton legislation.

You were looking at the issue of the suspension of sanctions. You have called for a 5-year suspension. I can only think that that will make excellent sense in the broad context of moving forward, to change the thrust of sanction—the sanctions policies of this Government. And it notably sets the stage for opening up our diplomatic dialog with India.

I hope that the suspension will be—will cover dual use technology trade as well as trade in ordinary—I underscore “ordinary”—military items.

I would ask that as you proceed forward, Senator, that the Congress find a way to express to the administration its views on what is called in the trade, the entities list.

That list, which prescribes trade with a number of Indian corporations, is having an extraordinarily negative effect. The restrictions have been too broadly defined by the administration.

We should constrain trade only with entities that are directly involved in nuclear and missile production, not those that are indi-

rectly or tangentially identified and in dealing with companies that are directly involved in nuclear and missile production, our constraints should only be on technologies or goods that affect missile and nuclear production, not secondary or tertiary items that do not affect it.

In other words, the trade should be—the trade restraints, where they need to exist, should be highly targeted. I would be happy to discuss the refinements of that separately, Senator, or answer questions on the same.

I ask that steps be taken that would signal that there is a common American purpose, a common administration and congressional purpose. I do not wish to see sanctions relief brought in in a manner that appears that the United States' house is divided.

And I welcome, therefore, your signal to Mr. Inderfurth this morning to join you in support of what you are doing. We need to speak with one voice.

I noted as well, Mr. Inderfurth's statement this morning that he seeks a lifting of the Pressler amendment. I would think that is an excellent idea, but I would like to make certain that when it is raised, there are options available for India—for example, the continuation of the production of the light combat aircraft in which the United States has been so heavily involved for a number of years.

The administration needs to be certain that it extends a balanced view of how it wishes to proceed with an arms supply relationship, spare parts and ordinary military goods.

Finally, Senator, let me close on a note that I think is of—of great importance. It was my privilege as Ambassador in India to be able to observe the work of the Agency for International Development, while it was engaged not only in dealing with India's enormous basic human needs, but also encouraging the development of institutions, which underscored Indian economic reform and made it possible for Indian financial service institutions to develop and to be available for American investors as well as Indian and other national investors.

I would hope that—therefore, that it will be possible to encourage AID, the Agency for International Development, to return to the Indian job that it set for itself before, doing its useful work in strengthening the stock exchange, regulatory system in Bombay and being able to help in the financing of city development, the floating of bond issues that will permit infrastructure development.

These AID vehicles have been enormously useful to the United States, our image in India, been useful to American business. And they ought to be encouraged to be started again. Their status today is suspended.

Senator, thank you very much for your attention to my remarks and my best wishes, as well, to Senator Sarbanes who just joined us.

And let me turn the floor over to Mr. Cohen.

Senator BROWNBACK. Thank you very much, Ambassador Wisner. Those are excellent comments. I will look forward to following with several of them on questions for you.

[The prepared statement of Mr. Wisner follows:]

PREPARED STATEMENT OF HON. FRANK G. WISNER

UNITED STATES' POLICY TOWARD INDIA AND PAKISTAN

It is a special honor to be asked to appear before this committee to speak on a subject of fundamental importance: South Asia's nuclear experience and its effect on relations between the region—notably India and Pakistan—and the United States.

MAY 11, 1998

We meet today in a time of terrible testing for this country and the NATO Alliance. We are also mindful of the fact that the world is beset with crises—crises which will set the stage for relations between states in the 21st century, every bit as much as the quest for advantage among western European nations; the decline of the Russian and Austro-Hungarian Empires, the retreat of the Ottoman Empire; the wars in the Balkans and the quest for colonies defined the last days of the 19th century and the first days of this one.

Today there is much to preoccupy our attention. In addition to the Balkans; we confront a global economic crisis; a disaster in Central Africa; tensions in the Levant as well as in Iraq; and tension on the Korean peninsula.

Of no less importance is the question of South Asia, especially in the wake of nuclear tests there and United States' relationships with that part of the world.

For this reason, I appreciate the Committee's decision to take time to consider the sub-continent. At issue as well is the conception of Asia in general, especially how we will relate to the great states in Asia—China, India, Japan and Russia as well as the key second tier players—Indonesia, Australia, Korea, and Pakistan.

I must admit to a bias. I remain persuaded that the concept of the balance of power remains every bit as important in the shaping of interstate relations today as it has since nation states as we know them emerged in Europe in the Eighteenth Century.

By a balance of power, I mean no state can pursue its interests in a manner which appears to take advantage of another state or states—without those states combining to contain the ambitions of the offending nation. The concept of balance of power is not about human rights, trade or other issues of vital significance; it is about issues of power and stability—the essentials of the international order without which no other objective can be pursued.

With this thought in mind and convinced that the principles of the balance of power apply to Asia as they have applied to Europe, I ask you turn your attention to South Asia, notably nuclear South Asia—subjects which preoccupied American diplomacy since India exploded nuclear devices on May 11, 1998. And Pakistan followed suite shortly, thereafter. These events effect seriously the United States, confronting us with a challenge to the non-proliferation regime we have endeavored to construct around the world.

There are other dangers. We are reminded of the hostility between India and Pakistan. While the two nations have not formally engaged in war since the early 1970's, they live virtually at daggers drawn.

Until the Vajpayee-Nawaz Sherif summit in February in Lahore, the communications between the two governments had atrophied. Pakistani support for the Kashmir insurgency and covert assistance to other Indian dissidents; occasional Indian mischief; and all too frequent artillery duels along the Kashmir Line of Control have been the dominant facts in relations between the two states this decade. The nuclear fact simply adds to the region's tensions.

To make matters worse, the nuclear explosion has brought to the fore an additional reality—India's extreme preoccupation with China and India's view that absent some ability to regulate the relationship, China and India are on a collision course, especially in the 21st century when each nation has strengthened its economy and increased its military power.

As dark as the picture appears to be, let me assure you that I for one and I suspect some in the Administration and Congress see in the South Asian nuclear event the possibility of freeing our diplomacy toward the region from the thrall it has been in since the early 1970's—when India first tinkered with a nuclear explosion. At that time we elaborated in response to India's nuclear excursion an array of sanctions—sanctions we extended progressively and in later years in response to developments there we imposed them on Pakistan. Sanctions, I argue, which did little to deter India's and Pakistan's development of nuclear weapons and their accompanying delivery vehicles but which severely complicated our relations with both government, reduced our ability to engage either government on the issue of pro-

liferation and by reducing Pakistan's defense capability, pushed that country deeper into the embrace of its nuclear advocates.

AN HISTORICAL NOTE

Allow me for a moment to set the historical stage. As we look back at the 1974 Indian nuclear event, it is clearer than ever that India's humiliating defeat at China's hands in the 1962 border war and China's adoption of a nuclear option drove India's leaders to establish their own nuclear weapons program. For nearly two decades that program made only slow progress, constrained by the caution of successive Indian governments and by the fact that India's relationship with the erstwhile Soviet Union gave her a sense of security. That sense of security served to reinforce restraint.

With the collapse of the Soviet Union in 1989, India's circumstances changed perceptibly. Alone in Asia and facing China without a sympathetic great power at her side, India had to find new security relationships or framework or India would look to her own defenses. Indian officials could not ignore the implications of China's provision of missile and nuclear weapons technology and equipment to Pakistan. India's exposure and the challenge implicit in it, never clearly articulated by New Delhi, was largely missed by Washington and certainly never acted on. In fact, we have never considered South Asia's, especially India's, security concerns as central to our own. Even our decision to engage India in a security dialogue in the 1980's, during the Reagan administration, was part of our drive to isolate the Soviet Union and not a policy of engaging South Asia on its own terms.

We did not then, nor have we since, thought through a security formula for the region which would integrate it more deeply into our ambitions for stability in Asia; limit the potential for war in the subcontinent or with China; and contribute to our broader quest for non-proliferation norms. Instead we followed narrowly our non-proliferation lodestar. Congress joined in adding legislative muscle to our proliferation concerns.

I argue that there exists a security framework for India and Pakistan, which is consonant with U.S. interests. That framework springs from the notion of a balance of power and can be pursued in the context of our broader quest for Asia's security. Suffice it to say, the road was not explored nor traveled—by any party.

Instead, as the 1990's advanced, the conditions for India's going nuclear multiplied. The permanent extension of the NPT reminded India of her isolation. She saw her nuclear option narrowing. The NPT event was closely followed by CTBT. As CTBT negotiations advanced, China and France engaged in increased nuclear testing, events the international community and the United States choose to accommodate.

India then suffered a serious diplomatic embarrassment in pursuing its challenge to the CTBT. India, as its establishment has chosen to put it, saw herself as a victim of "nuclear apartheid". India saw in Article 14 of the CTBT treaty the potential of serious pressure on her government to join the treaty in three years and forego forever testing. With a Fissile Material Cutoff Ban Treaty on the horizon, those responsible for Indian national security faced a dual dilemma—how to stand by a policy of nuclear ambiguity and how to avoid international isolation, at the same time maintaining a credible deterrence. The arrival of the BJP led government in March 1998 was the final straw.

The BJP never disguised its views on India's nuclear option. The party is by its own definition nationalist. Its philosophy is rooted in the view that India's weakness has laid her open to foreign invasion and has prevented her from assuming her natural place of influence in the world—inheritor as she is of a major civilization. The BJP national security doctrine is based on the notion that international relations are inherently predatory—the mighty take advantage of the weak. Inevitably, China with her faster rates of growth, BJP intellectuals argue, will seek advantage over India, unless India is able to deter China and counter China's nuclear arsenal. The fact that China is accepted by the international community *de jure* as a nuclear power and India is not, only adds fuel to the fire of India's discontent. If India is to be safe, BJP and other Indian defense hawks argue, she must be able to stand behind a nuclear shield—one of her own making since no international guarantee will give a great nation confidence.

There are other aspects to the BJP's logic which I will not elaborate. Sadly, that logic is rooted in a more broadly held Indian view—one that exists across the Indian political spectrum: suspicion of the United States. Even though no Indian can explain how the United States stands to benefit by India's weakness, Indians are broadly convinced that the United States has systematically opposed India over the past fifty-years—favoring Pakistan and then China—and possibly the two in com-

bination. This suspicion makes it most difficult for American leaders and diplomats to establish the common ground for a security dialogue. As my Indian friends are often given to say, “he, who controls the assumptions, controls the conclusions.” The assumption of American hostility runs deep.

May 11 was not the first BJP dalliance with nuclear tests. The BJP considered seriously a test when it held power for two weeks in the summer of 1996 but time ran out on the government. It could not prove its parliamentary majority. When it returned to office in 1998, the BJP lost no time in setting plans for the test.

Pakistan, despite the President’s involvement and our best efforts, followed India’s lead. In fairness to our Pakistani friends, it is hard to see how a politically vulnerable Pakistani government could have done otherwise, given history and the violent currents of public, military and bureaucratic mood. Our offers to assist Pakistan were also suspect in light of our inability in recent years to move the relationship, settle outstanding issues like the disposition of Pakistan’s F16 aircraft, or carry Congress.

THE PERMANENT FIVE RESPONDS

The response of the United States to the South Asian nuclear tests was swift. We imposed additional sanctions—some required by the Glenn Amendment; others outside its scope. In addition to those in place before May 11, we declared opposition to World Bank and IMF lending for all but “basic human needs;” we severed all military contacts, and in India’s case developed an “entities list” which proscribes or put under review exports to key Indian firms.

We took our case to the Security Council. Japan, Germany and Canada followed our lead imposing sanctions of their own, and the Permanent Five elaborated a five point negotiating agenda. That prescription was aimed at convincing India and Pakistan to come to terms and rebuild confidence between the two and the rest of the international community.

At heart, the P5 offer—signing CTBT; negotiating FMCT; articulating a minimal development and deployment posture for nuclear weapons and their delivery vehicles; elaborating export controls and reengaging the Indo-Pak dialogue—is about confidence—confidence between India on the one hand, Pakistan on the other, Asia and the world. That confidence is the necessary precondition to India’s and Pakistan’s finding a secure footing in a volatile international order.

The United States took the lead in seeking to negotiate this agenda. I have the highest regard for the Administration’s record in this regard—especially for Deputy Secretary Talbott and the able team from across government which has supported him. Progress has been registered in eight diplomatic rounds. On the first point, CTBT, by September 1998 at the United Nations General Assembly, the two Prime Ministers had agreed their governments would move toward adherence to the CTBT. The Indian government must now secure parliamentary support for its change in policy and both governments must commit themselves by September of this year to sign.

Second, negotiators have explored in detail the Fissile Material Cut Off Ban. Participation in an FMCT negotiation, in principle, is agreed but further work is needed to define how nations producing fissile material will suspend production while negotiations in Geneva are underway. Knowing something about the Indian nuclear establishment, I also suspect the issue of “how much” fissile material is needed remains to be settled.

Third, defining a nuclear and delivery vehicle posture is a tough nut to crack. Extensive discussions between U.S. and Indian experts have taken place but decisions in the final analysis are Indian and are related to perceptions of national security. Transparency in questions of defense is an alien concept in the subcontinent. We must keep in mind, neither the U.S. nor the P5 will dictate the nuclear posture of India and Pakistan. Their governments are responsible for sovereignty and security and only those governments can define and articulate their defense posture. We should also bear in mind India and Pakistan will have the right to change that posture later, if threats, not now foreseen, to national security emerge. The United States reserves a similar right.

The United States can help define choices but since we are a party to the NPT, Washington cannot explicitly negotiate nuclear and missile levels with India and Pakistan without compromising an important treaty obligation. The burden to define a posture lies with the parties. India’s commitment to a “minimal” deterrent is significant. India’s willingness to alert Pakistan and others of the Agni test was a sensible step. Washington’s considered response was also appropriate. The Agni, a long-range missile capable of reaching deep in China, was an inevitable cohort of the May 11 nuclear test.

Fourth, I am pleased to note as well that progress has been made in export control talks, even though more work needs to be done.

The Indo-Pak dialogue, while not a responsibility of the P5, received a boost in February. We must hope the two sides will articulate a concept of negotiations, build domestic support for them and make it possible they will survive the changes in South Asia's governments. It should not be impossible to structure negotiations which address all issues, including Kashmir, and allow each issue to reach term on its own, unlinked to other issues. The question of Kashmir can be subdivided into separate categories—sovereignty, troop levels, human rights, Siachen and trade, to mention a few. Progress on one or more questions will give momentum for progress on all.

A WORD ON KASHMIR

A word about Kashmir. The issue of Kashmir, especially the question of sovereignty over the former princely state can only be resolved when the parties are ready for an agreement. This disposition does not exist today. An invitation to mediate is therefore a trap; accepting it can only lead to trouble. Informal contacts and advice are one thing. Formal involvement is not in the cards and any attempt to secure it will undermine the role which the United States—or for that matter any other party, including the Security General of the United Nations, can play for helping the region sort out its affairs. The Kashmir dispute, especially the question of sovereignty, will take years to resolve.

THE ROLE OF CHINA

China has a special role in the South Asian equation and our diplomacy with China should take account of that fact. China is a reality in South Asia's past and future. Unresolved borders and China's arms relationship with Pakistan, especially where that relationship has touched on nuclear and missile matters are of deepest importance to India. The United States' decision to deal gingerly with China on nuclear missile exports to Pakistan is resented in India; our inability until very recently to discuss in candor and in depth our approach to China on these questions has not helped. The United States' decision to pursue our policy of engagement with China—while appearing to hold India at arms' length—is regarded with suspicion. China has a responsibility to accelerate and deepen its dialogue with India. At the same time, the United States must keep in mind that we cannot be seen to pursue a relationship with China at India's—or for that matter at Japan's—expense, any more than we can be seen to pursue a relationship with India at Pakistan's expense. The President's words last summer in China, seemingly inviting China into South Asia, hurt our diplomacy.

DANGERS AHEAD

Eight rounds of talks notwithstanding, the goal line in South Asia has not been crossed. Full agreement on the elements in our dialogue remains to be achieved. Nor, therefore, has a basis for a new relationship between the United States, India on the one hand and Pakistan on the other, been defined. Sanctions remain in place and undermine our ability to pursue our goals with the two governments. Rolling back India's and Pakistan's nuclear arsenals is no longer in the cards but how we will live with them or use our relationship to improve prospects for peace and prosperity in Asia remain lively questions.

Coming to a conclusion is complicated by the times we live in and the crises we are facing elsewhere. Each of us are distracted and risk becoming more so. America's hands are full with Kosovo; we are not good at managing multiple national security problems. Our presidential race is in the offing.

India's government collapsed on April 17. Congress, should it form a government, has not been a direct party to the negotiations. It does not share the same sense of commitment. Nawaz's government has not been able to cope with Pakistan's economic problems. Trouble brought on by a deteriorating economy is serious enough to effect his hold on government.

I admit to a degree of pessimism. So much lies in the balance; much has been accomplished and much remains to be done. Failure to reach agreement on the benchmarks elaborated in the Strobe Talbott-Jaswant Singh dialogue in the months ahead leaves the U.S. and India mired in a debate over sanctions, potentially made worse if Congress provided relief and the administration finds itself forced to reimpose sanctions. Failure to reach agreement on the benchmarks will inevitably complicate negotiations between India and Pakistan.

THE ROAD AHEAD

Let me close my remarks with a series of observations about the road ahead—guideposts if you will; not a roadmap because in the wake of the collapse of Vajpayee's government precise cartography is not possible.

First. We must keep our eye fixed on the strategic objectives. If we are to defend our interests in Asia in the next century, we will only be able to do so if the balance of power is maintained and as a concept it works. The United States has no fundamental quarrel with any great or lesser power in Asia. We can engage all. But we need India in the equation; without her the equation is not whole. And we need Pakistan to insure the stability of South Asia and its environs. We must, therefore, develop a security dialogue with India, exchanging estimates and intelligence and thinking through how we would act in the event of crises.

Second. India is emerging as a major force in Asia; it is emerging as a major trading and investment destination we must accommodate ourselves to these facts. India has a role to play in maintaining the Asian balance of power. Not that India explicitly accepts the concept of the balance of power; it does not. But as it was true during the Raj, Indians see their sphere of influence extending from the Suez Canal to the straits of Malacca and north to central Asia. India has the intellectual establishment, diplomatic infrastructure and growing economic power to put strength into its foreign policies. It needs focus, of course and I would like to believe it requires a relationship with the United States worth qualifying as strategic in significance. A relationship with India gives the United States additional leverage in containing crises in Asia and in securing stability.

Third. The whole of our ties to South Asia is greater than any of its parts. Despite the importance of non-proliferation, it cannot be the dominant fact in our relationship with South Asia to the exclusion of other interests. We urgently need to work through a more substantial definition, adding security architecture to it. In fact, success in developing an overall relationship—one that provides India a long-term framework for advancing her security interests—will strengthen our ability to deal with non-proliferation imperatives.

Fourth. The present negotiation must be brought to a close—for India's and Pakistan's good and for our own. The new government in India should be addressed without delay to define what can be achieved under present circumstances. We must work with the other members of the P5 to "keep up the side."

Fifth. The style of negotiations is almost as important as their substance. India and Pakistan are old and proud nations; both today are democracies and vibrant ones. Parliament in India matters; so do "think tanks" and the press. India and Pakistan have high thresholds of sensitivity. For American diplomacy to succeed in South Asia, we must tread a wary line, avoiding the image of appearing to dictate our views; strengthening instead the perception that we seek a partnership among equals. India is especially sensitive to being lumped with Pakistan. India is right and we need to readjust our language and approach if we are to hold India's attention. In fact our policies should treat India and Pakistan differently. We have a higher ambition for India—a major economic agenda and an association with it in securing Asia's peace in the century ahead.

Finally, engaging India and Pakistan means adjusting the rank order of our national foreign policy priorities. No President has visited South Asia since Carter; Mrs. Albright's very brief visit was the first since George Schultz stopped by in the early 1980's. Our presidents and India's Prime Ministers have long fallen out of the habit of corresponding over global and Asian issues. India, to my way of thinking, is a key part of the emerging Asian equation. We need to be in close touch with it and with Pakistan; we need to have India by our side in APEC and in the ASEAN forum. And the time is right to think about India sharing the continent's and the world's responsibilities.

Senator BROWNBACK. Mr. Cohen, thank you very much for joining the committee.

STATEMENT OF STEPHEN P. COHEN, SENIOR FELLOW, FOREIGN POLICY STUDIES, THE BROOKINGS INSTITUTION, WASHINGTON, DC

Mr. COHEN. Good morning, Senators, Senator Brownback, Senator Sarbanes. I am honored to be invited to testify before the subcommittee again.

What I—I have prepared some written testimony. I wish to have that submitted for the record and what I will try and do is—is improvise, because much of what Secretary Inderfurth and Ambassador—the Ambassador has said, I agree with, and also your—your—your opening remarks.

Senator BROWNBACK. We will have your full statement put in the record as if presented.

Mr. COHEN. OK. I am—I am by background an academic, although I now have joined Brookings and have served for a couple of years in the State Department, so my perspective still remains that of an academic, a scholar who studied South Asia and India for about 30 years.

And what I think—I think—I would like to say some prefatory remarks about misunderstanding India, because I think that much of American policy has been—has been based on false premises or false understanding of India, in particular; to some extent, Pakistan.

I think we have to understand that India is undergoing at least five separate revolutions right now. There is a cultural revolution, in that Indian social castes and classes are—are now moving in a way very much reminiscent of the American Civil Rights movement.

Simultaneously, there has been a Federal revolution in India, with the power of the center declining as—in terms of the power—vis-a-vis the power of the states of India.

There is an ideological revolution underway in India, raising the question of what it means to be an Indian. The recent—the recent attacks on Sonia Ghandi for being not an Indian or being un-Indian because of her Italian birth really stems from the BJP-inspired debate about citizenship of India.

There is also an economic revolution, which is now well underway, although it is somewhat stalled.

And finally India has—has pursued—well, let me say that India has been pursuing these revolutions from about 1989, 1990. They are all fairly recent in terms of their intensification.

At about the same time, 1990, 1991 India's strategic position changed dramatically. So you have a country of a billion people, soon to be the world's largest country, with a tremendous churning internally and also its external situation quite unstable.

For many years, India relied on the Soviet Union for its—for a quasi-strategic alliance. Before that, it had a close relationship with the United States in that the United States moved with India to counter China.

This is an aspect of Indian foreign policy that is not understood here very much, but for many years, we encouraged the Indians and the Indians were with us in—in attempting to contain Chinese power.

And when the 1962 war with—with China occurred, then we did supply India with considerable military assistance and even helped establish one of their intelligence services.

Nixon's trip to China in 1969—1970, while important in its own right, sent a signal to India that we now no longer regarded India as a major partner in Asia, but that we had—in a sense were using—were—were relying more on China in terms of our strategic

containment of the Soviet Union. And from that point onward, the Indians have been groping for a new strategic place in Asia.

Our continuing support of China after the—after the end of the cold war made it appear to the Indians—I think incorrectly, I would say—that we were engaged in a strategic relationship, strategic alliance between China, Pakistan—India's other enemy or their other antagonist—and the United States.

And for many years, the dominant Indian view has been that they face a world in which China, the United States and Pakistan is—is—is attempting to keep India from emerging as a great power.

Now, I do not think that has been American policy. But we have conveyed that impression to the Indians. And therefore they have pursued a policy of autarchy both in the nuclear area and in terms of developing relations with other countries, which they see as necessary to counter this—this large tri-partite alliance.

I think that—I agree with your opening remarks in the sense that we have to start fresh with India. I do not—I do not think it is—it is—I do not think we should think in terms of again trying to contain China, with India as an ally.

We should not think of fighting the Chinese to the last Indian. Many Indians still in power today remember the experience of 1960, 1961, 1962 and then 1964 where we, in effect, withdrew from South—from South Asia. And they do not want to be in a position where we are their surrogate in dealing with China.

They understand that militarily they are much inferior to China. Economically, they have fallen way behind China. You know, both are nuclear weapon states, but China certainly is superior in that regard, possibly with our assistance.

So they are not interested in a strategic alliance with the United States against China. In fact, some Indians are—are—contemplate an alliance with China to keep the—the superpower hegemon out of Asia, which I think is an equally—equally unlikely prospect.

As I see the Asian system evolving, it is going to consist of a—of a dominant China, a significantly powerful Japan, other states along China's periphery, and an India which is increasingly capable in its own right, but which is not eager to form a close alliance with anybody.

Our policy in a sense should be to keep our options open, maintain a relationship, an engagement with China, but a proportionate engagement with India, which is not a China in terms of its capabilities but certainly has its own virtues and its own values.

I could talk as my testimony does about the—about the misperceptions we have had of India over the past few years, I think, systematically putting the non-proliferation issue ahead of all other issues and making it appear to the Indians that we are trying to disarm them rather than develop them.

So I—I will not though. That is in the testimony. I do not think there is any need to go further than that. Let me stop here, I think, and then open myself to questions—to both of us.

Senator BROWNBACK. Thank you both for testifying.

[The prepared statement of Mr. Cohen follows:]

PREPARED STATEMENT OF DR. STEPHEN P. COHEN

Mr. Chairman, members of the Subcommittee:

I am honored to be invited to testify before this Subcommittee on developments in India and their implications for American policy. India is a much-neglected country and has been invisible to many American policy makers over the past several years. Our neglect has complicated our attempt to develop a balanced policy towards what will soon be the world's largest country, and has hurt several important American interests—including our interest in preventing or slowing the horizontal proliferation of nuclear weapons. The detonation of eleven nuclear devices in South Asia last May must be counted as one of the great failures of recent American policy—all the more so because it was foreseeable and preventable.

While I have specific comments on pending legislation, today I will cast a somewhat wider net. It is evident to me, as a student of South Asia and US policy towards India and Pakistan for over thirty years, that the problems we have had with our regional policy stem in some cases from a fundamental misunderstanding of India and Pakistan, and the way in which our own policies have shaped—or misshaped—developments in the region. I will confine myself to three miscalculations, each of which have specific implications for American policy.

INDIA AS A REVOLUTIONARY STATE

First, we need to understand that India is a truly revolutionary state, in that there are radical changes underway in its domestic political and economic order. From about 1989, we have witnessed the inauguration, or the intensification of five separate revolutions.

- There has been a caste and class revolution, in which hitherto suppressed or disenfranchised Indians have sought a bigger share of the pie, often through the ballot box, but sometimes through the gun.
- We have witnessed the lift-off of an economic revolution, hesitant at first, and now perhaps stalled, but a revolution that has widespread support because only through a transformation of the Indian economy can the system deliver the goods to these newly assertive and powerful castes.
- India has also seen the beginning of a federal revolution. As new regional ethnic and caste groups achieve power, their first goal is to capture their state government. As is the case in the United States, the party that controls New Delhi may not control the states, and power at the center must be shared between parties who are rivals at the state level.
- Led by the Bharatiya Janata Party and its associated social organizations, India is now experiencing an ideological revolution, in which long-established norms and values are being challenged. Again, this can produce shocking acts of violence, as in the case of the recent murder of an Australian missionary and his sons.
- Finally, as in many places around the world, India is subjected to the information revolution as ideas and images circulate more freely than ever before. This is accelerated by satellite television and the internet, and cheap travel and growing literacy.

Three points must be made about these revolutions.

First, they are being waged largely by peaceful means, contained within India's durable and flexible democratic framework. Historically, India has seen the repeated transformation of revolutionary movements into evolutionary movements, there is no reason to expect that the present social tensions, violence, and disorder will not eventually subside. More than in any other large non-Western democracy, the ballot box is seen as the source of legitimacy.

Second, these revolutions occur unevenly across India. Some Indian states remain backward and poor, others have powerful separatist movements. Yet other states have experienced phenomenal growth in income, literacy, voter participation, and good government.

Third, India can give as good as it gets. While Indian intellectuals complain about Western cultural imperialism, especially the American variety, Indian films, music, novels, and stories are pervasive throughout South, Southwest, and even Central Asia, and are establishing a toehold in the West. These reflect India's powerful culture, adaptiveness, and ability to compete.

THE STRATEGIC TRANSFORMATION OF SOUTH ASIA

These social, economic, and cultural revolutions have occurred simultaneously with two major foreign policy crises, one in 1987 (the so-called "Brasstacks" crisis during military exercises) and a second in 1990 (a compound crisis involving the

Kashmir uprising, nuclear threats, and two weak governments). These, in turn, took place just before and during rapid changes in the larger international environment, especially the decline and fall of the former Soviet Union.

These two regional crises, while real, were misunderstood by many Americans. When coupled with the domestic unrest that has grown in India (and Pakistan), they conveyed the impression of a region on the brink of war—a war that after 1990, could have turned nuclear. There were crises, real threats may have been issued, and there were probably nuclear weapons available to both sides in 1990, but Indians and Pakistanis are not fools, and they learned the lessons of what was their own version of the Cuban missile crisis. I am afraid that we have not taken seriously, nor looked closely, at the way in which these two states have managed to contain disputes, especially Kashmir, which not only affect their vital security interests but their very national identities.

AMERICA'S INFLUENCE IN SOUTH ASIA

Finally, the United States has become a significant factor in Indian (and Pakistani) strategic calculations. Whether we like it or not our laws, our policies, and even our public statements affect their views of each other and even of China. Too often, however, we have approached the region with a bludgeon, a stick instead of a carrot, treating both states as immature and irresponsible. They have made serious political and military mistakes in the past, but perhaps no more, and no more serious ones, than those committed by other major powers, including ourselves.

Our attempts to legislate their security policy have been doomed to fail from the start. No country, when its vital interests are at stake, will forego any weapon or any technology. While I strongly believe that by going nuclear they may have actually weakened their security, their decisions become perfectly sensible, and were predictable, when one understands the domestic and strategic context in which they were made. Both governments, first Pakistan, now India, have had to conduct foreign and security policy while trying to manage a tumultuous domestic political situation. In both, foreign policy becomes hostage to domestic politics, often driving governments to more extreme policies than they would otherwise choose, and neither government has yet fine-tuned the principle of bipartisanship in foreign affairs.

IMPLICATIONS FOR AMERICAN POLICY AND LEGISLATION

These three sets of American miscalculations (our misunderstanding of South Asian political dynamics, our inattention to the region during a period of major international change, and our failure to appreciate how we can best influence strategic and military decisions) have led to a number of specific errors of perception and policy.

First, our incomprehension of India's domestic revolution led to an underappreciation of the way in which domestic politics now influences strategic and military decisions. Paradoxically, such decisions as adherence to the Comprehensive Test Ban Treaty (CTBT) are both more and less important to Indian governments. They are more important because this is an issue that could be used to attack a very weak coalition government; they are less important because Indians are less interested in foreign policy issues than before. If we had developed a broader relationship with the Indian people, then such issues as the CTBT, the Fissile Material Cutoff Treaty (FMT), restraints on the development of nuclear weapons and on further flight-testing of missiles, and cooperation on containing the spread of weapons of mass destruction and their associated technologies would have been placed in a larger, more "normal" framework. Instead, our single-minded pursuit of the proliferation issue made it impossible to expand these other ties, with the consequence that we wound up with the worst of both worlds: a proliferated India (and Pakistan), and even deeper suspicion about economic and strategic ties with the United States.

Second, our failure to understand the significant changes in India-Pakistan relations after their two crises, and the simultaneous end of the Cold War led us to treat the region as crisis-prone: "the most likely place in the world for a nuclear war." Pursuing a one-issue agenda, non-proliferation, we turned to China as a partner in South Asia. Yet, China has been part of the problem as well as part of the solution and our failure to understand China's key role in arming the Pakistanis and as a factor in Indian calculations was a serious mistake. I agree with our policy of "engagement" with China, but that did not preclude a similar policy towards India. Instead, our China policy looks to Indians very much like an alliance. As for our focus on non-proliferation, while well-intentioned it conveyed the impression that this was our only regional interest, whereas we have diverse and complex interests there.

Third, we have been trying to conduct a complex diplomacy armed only with sticks and stones. Our diplomacy, constrained by restrictive and highly specific legislation, had nothing to offer but threats, and these failed to work. Inadvertently, we strengthened the hands of the anti-American groups in both countries as well as those who sought to build and deploy nuclear weapons: they could now argue that India had come in the American gunsight, and that they had better arm to protect their countries. Conversely, we weakened the standing of the many Indians who sought to cooperate with us on important economic, strategic, and security issues.

TOWARD A FRESH START?

I would strongly urge that the Senate follow two broad paths. First, it should move speedily to allow the Executive branch as much freedom as necessary on existing economic sanctions and technology embargoes. The latter appear to Indians and Pakistanis to be discriminatory “blacklists” against regional institutions and even individuals. Sanctions failed to deter India and Pakistan from moving ahead with their nuclear programs, they can be lifted.

The argument that we have to “make an example” of India and Pakistan to deter other countries from acquiring nuclear weapons is well-intentioned but factually impossible to sustain. While sanctions can be a useful tool of diplomacy (and certainly give the impression of doing something), they must be evaluated in their application, not in their abstract.

The remaining candidates for nuclear status fall into two broad categories, allies and rogues. These allies (for example, Turkey, South Korea, and Japan) look to the United States for their security. Our commitment to their defense is far more important to them at the moment than risking our ire with a nuclear weapons program that may be ineffective in any case. The rogues are well known, most are already under punitive regimes, some are under the threat of military attack—and none regard India and Pakistan as a role model.

Further, neither India nor Pakistan have been “rogues,” they are vast, complex democracies, struggling primarily with issues of domestic reform. This has led them to turn inward, not outward. We want to encourage this process, since the major security threats to both countries come from within—slow economic growth, illiteracy, separatist movements, terrorism, corruption, environmental degradation, extremist ideologies, and most serious of all, incompetent governance. I think we can assume that both states will work out for themselves the fact that nuclear weapons are of little use against these enemies, but we should not underestimate that dangers to democracy in both countries, especially Pakistan. In the past India had its brief spell of civilian dictatorship and Pakistan has had its long periods of military rule. It now seems to be slipping into an elected autocracy, intolerant of any autonomous center of power. The Nawaz Sharif government has systematically attacked most of the institutions needed to sustain a genuine democracy, most recently the press and non-governmental organizations. This has very serious implications for not only our nuclear policy but our larger relationship.

Second, we need to undertake a comprehensive review of our India and Pakistan policy. Right now, we have a nonproliferation policy (which has demonstrably failed), we have warm and positive feelings towards India (but feelings, no matter how warm, do not make a policy), we have the residue of a special relationship with a former ally, Pakistan, and we have various special interest groups advocating particular goals. These do not add up to a whole. I urge the committee to act upon current proposed legislation as a step towards a comprehensive review of US policy.

Having spent two years in the government as a policy planner, I know how difficult it is for governments to think more than a few weeks or even a few months ahead. Practically speaking, the only time fresh thinking takes place is when one administration (or one Congress) succeeds another. Without completely giving up hope in the negotiations now underway between Strobe Talbott and the lame-duck Indian foreign minister, Jaswant Singh, Congress should, as it did in past decades, undertake its own review of relations with this one-quarter of the world. A multi-year suspension of most sanctions will bring us well into the next administration. It is best that such a review be undertaken before that administration assumes office so as to assist it in conducting its own reexamination of American policy.

Senator BROWNBACK. Let us—why do we not run the clock at a 10-minute interval here for Senator Sarbanes and myself, or did you want to—

Senator SARBANES. Mr. Chairman, I cannot stay. Let me simply say that I appreciate your holding this hearing. I think the rela-

tionship between the United States and India is an extremely important one. It is often not given the visibility or focus that I think it deserves and requires.

I think we are in a particularly sensitive time right now given the upcoming national elections in India. Although, I gather they will be with a caretaker government for a period of some months before that occurs.

Meanwhile, a number of outstanding issues remain unresolved. I know people do not want the nuclear proliferation issue to dominate the perceptions and I do not quarrel with that admonishment.

On the other hand, nuclear proliferation is an important issue, particularly in that part of the world, where India and Pakistan seem to be going a tit-for-tat. We are not certain where that is going to lead, although the fact that buses are going back and forth, might supplant the possibility that missiles will go back and forth.

So, I think it is important to keep, as this hearing was labeled, the political and military developments in India in our focus. I very much appreciate the testimony of the witnesses.

I am sorry I was not able to get here to hear the Assistant Secretary of State, but I will have an opportunity to read his statement.

I apologize to our two witnesses that I need to depart, but I think they have some understanding of what congressional schedules demand.

Thank you, Mr. Chairman.

Senator BROWNBACK. Thank you, Senator Sarbanes, for joining us and for—for those comments.

Mr. Cohen—and I would like, if we could here, so if each of you—if you have an answer to what I am putting forward or—or determine that the question is slightly off the mark, then correct the question and answer the best—answer the question you would like to because I—I really would like to engage you.

I wonder, Mr. Cohen and also Ambassador Wisner, how do you perceive the Indians have responded or will respond to the Cox report that is out today about our nuclear technology and some missile guidance information making it to China?

Mr. COHEN. There is no doubt that they will see this as justifying their own nuclear program, that China—and possibly accelerating their—their plans to have a much bigger nuclear program than they—then the dominant Indian school thinks.

They have been talking to the—the so-called nuclear moderates have been talking about, oh, 80 to 100 nuclear weapons. I think that the Cox report will encourage them to go further and possibly try to get seaborne—seaborne nuclear—

Senator BROWNBACK. So you are saying the nuclear moderates—is that what your term was?

Mr. COHEN. Yes. That is you can divide the Indian nuclear debate into moderates, extremists, hawks and so forth, very much the way our nuclear debate evolved in the fifties.

And I think that this will be ammunition for those who would like to go to the sea for a Triad nuclear deterrent, not simply an air deliverable and a missile deliverable capability but to build submarines and put missiles on the submarines, which has grave im-

plications for America, because a submarine possibly could reach the United States.

In fact, a few Indian strategists have argued that they should be able to attack the American—the United States just as a way of demonstrating to the U.S. that—that we cannot intervene in their region anymore.

Historically, Indians—Indians still talk about the sailing of the U.S.S. *Enterprise* in the Bay of Bengal or up to the Bay of Bengal in 1971 when it was sent there by the administration as a way of demonstrating support for Pakistan. This was during the India/Pakistan war.

And from that point onward, they have always regarded it necessary—thought—some Indians have thought it necessary to acquire a capability of keeping the U.S. or other powers out of South Asia.

The irony is that in 1962, we had—we had sent the *Enterprise* in as a demonstration of American support for India against China. And the Indians have sort of selectively forgotten that aspect of our—of our intervention in the region.

So I think that the Cox report will encourage the hawks to go for a sea-launch system. The economy probably cannot sustain it, and the technology would be very difficult for them to—to develop, but this is what—that—that is the consequence, I think, of the report.

Senator BROWNBACK. Ambassador.

Mr. WISNER. I—I would thoroughly agree with Dr. Cohen's assessment that India will regard the information contained in the Cox report as proof positive of their deep concerns that China has had unique and special access to American military technology and that this is to India's detriment and that India has to take that into account in terms of the way she constructs her national defense system.

It will not enhance confidence in the United States, the Cox report. It will take time for India to think through why the volume of information made its way to Chinese hands without the United States being able to enforce its own procedures and laws.

How far the Indians will go in responding physically is another issue. There are real constraints on Indian resources, Indian technology to develop a nuclear system, but there—the debate will be activated, as Dr. Cohen points out, by the Cox report.

I would add, though, that this puts a special challenge before the United States. What do we do as a result of the—our anticipated—or our assessment of where India will be headed.

And I think that it is of critical importance that we engage the Indians on the question of China more deeply than we have been able to engage her in the past.

I start out, as my testimony said, exactly where Professor Cohen is and that is that the Asia of the future is a careful balance of power, where China, Japan, Russia, India, the United States are the principal actors in keeping peace in the area; and that our ability to communicate with each of the players is very, very important.

Our ability to communicate with India on issues of direct national security importance means we have to talk about China.

We have to talk frankly at a high level about our assessments of Chinese intentions, our reading of where China is and where China is headed. It does not necessarily mean violating the time-honored rule of "friends on friends," but it means being a lot franker with the Indians about where we see China. We should also urge China to engage India at the same time. If not the Indian suspicions of China, borne of the history, will aggravate Asian tensions. And we have to keep that very much in mind and try to tamp those down by engaging ourselves diplomatically with the several governments, notably China and India.

Senator BROWNBACK. But I mean, clearly we have not engaged India near to the degree that we have China and Russia, by—by any stretch of the imagination. I do not think anybody could assert that we have—we have engaged them equally as China or Russia. And clearly, it is time to do it.

But I am—I am curious if both of you then feel that actually the Cox report will stir up more suspicion toward the United States and less willingness on the part of the next Indian Government to engage with the United States on a broader-based dialog; or will it cause them more to retract, engage more to Russia for strategic weapons technology?

Mr. WISNER. Well, I think it will depend importantly, Senator, on the actions that we take. Our communications with the parties in and out of power during this transitional period and the way we move as soon as there is a new Indian Government in place in the latter part of October.

We—we will—we must be on—we must take a step forward and India will be looking—looking for us to do so.

Mr. COHEN. Now, I think that some Indians will—will argue that the Cox—that the leakage of American nuclear technology to China was no accident, that we deliberately helped the Chinese in order to continue to encircle India. I think that is paranoid, but that interpretation will be heard.

More likely in the more dominant view of India is that the United States is here to stay, that we are not going to be a declining super power, and that we are not going to soon have a world of—of eight or ten equal size states, that there will be seven or eight major states, but the United States will be clearly the major power for the next 10, 15 years, at least; and that the dominant view in Delhi was—will be that they do have to talk to the United States. They will get over the Cox report.

I think the paranoid interpretation of U.S./China relations will diminish, because, in fact, while I think we have bent over backward, perhaps too far backward, to deal with the Chinese on all issues, that we have, in fact, imposed technology restraints on China, at least some, and that—and I think our attitude toward China is changing to a more balanced view of—of the Chinese.

Senator BROWNBACK. Well, I think those are wise words that I hope we convey as well and get to the administration, that during this time period when you have got an election and that the Cox report is out, that we have a lot of high-level discussions with the Indians about—about the nature of this and about our nature of relationship with China and with Russia. I think it is a very important time for us to broaden.

I might ask each of you—it has been my assertion—you heard me question Secretary Inderfurth that—that we have built the entire U.S./India relationship right now at least on the official level on CTBT.

I—I think that—that is far too narrow for us and, indeed, in light of the Cox report and some other things, I would think that the Indian Government would say, “We will talk about that, but we cannot do this now with the type of technology now that we know that China has.”

What do you think—how are they going to respond to our negotiations on CTBT in light of the Cox report?

Mr. COHEN. Well, I think the CTBT has been dead in the water for some time. And I think—I was never very optimistic that it would get through either country. Certainly, it has its difficulties here.

And I think that the Indians have a good excuse not to move ahead on the CTBT. And I think by pursuing the issue for too long a period of time and, in fact, urging the Indians to sign not only the CTBT but the Non-Proliferation Treaty in a sense to renounce their nuclear weapons that they have developed, I think we—we have wasted our time. And we should have, in a sense, gotten off a—an obsession with treaty adherence to a broader dialog.

I think we might have gotten adherence to the CTBT had we had a broader relationship with India 3, 4, 5 years ago. And I think our diplomacy then in particular was so treaty-focused that it—it just—and then we tried to use—well, I—I think—I think it was a failure of understanding.

Let me also add that I think that India may not be quite ready for a dialog with the United States. As I have tried to indicate in my remarks, India’s security problems broadly conceived are mostly domestic.

While they do have a problem with Pakistan and they certainly see themselves as a long-term rival with China, it is a society under tremendous internal turmoil, social, economic, political change, ideological change.

And it is hard for a country in that—going through these simultaneous revolutions to think consistently or clearly for very long about foreign policy.

One thing that is happening is that power is devolving to the states. And as in the United States, the—the states have different interests than the center. And we are going to have to figure out a way of dealing with all of India and not simply with a very small group of people in New Delhi.

And as Rick Inderfurth said, we are going to have to continue to expand our ties with all elements of Indian society as the Indians are trying to develop their ties with—with Americans. And I think that economic ties are perhaps the most efficient way of doing that.

I was part of an Asian Society study group of several years ago, and we used the term “ballast” for the importance of economics; that a good economic relationship would provide a ballast between—in the relationship, overall relationship between the U.S. and India.

And here the obstacle is India. It is not the United States. Indians are reluctant to move quickly in terms of reforming, opening their economy.

And although the—although—progress is steady, but it is very slow. And as that moves ahead, I think our other—it will—it will have an impact on our other political and strategic relations as well.

Mr. WISNER. Senator, I am going to part company with Dr. Cohen on the issue of CTBT in one regard, and that is that I am not as pessimistic as he is about CTBT's—the—the fate of CTBT in Indian hands.

I took very careful note of what Prime Minister Vajpayee said last September before the general assembly, the commitment he made to move in the direction of reaching an agreement on CTBT.

And I have taken heart from the diplomacy that has been conducted that led us virtually on the eve of the fall of this government to a prospect that the Indian Parliament would debate with the view to seeking adherence.

I cannot predict exactly how the matter will come out, but I have sensed a determination on the part of the outgoing Vajpayee government to try to find a way to associate itself with CTBT, and we had hoped it could happen by September.

If it happens after September, I believe there are terrific benefits for India. She will strengthen her diplomacy.

She has already sent a signal of her nuclear capability for the United States and for the world to put some boundary markers around the nuclear testing issue.

As India's own scientists have pointed out, the further tests are not necessary with respect to the Indian nuclear deterrent.

Now, that said, where I strongly agree with both you and Dr. Cohen is that CTBT and the treaties, if you will, have had much too high a profile in our relationship and that that has a counter-productive feature.

Dr. Cohen used the argument that our very insistence on NPT adherence and CTBT adherence gave the impression the United States' purpose was to disarm India, to weaken her. And that view is deeply rooted in—among thinking in Indians across the board.

I would argue that the contrary is true. And that is if we had succeeded earlier on in making it clear that we had a stake in Indian security, that that was rooted in our view of peace and stability in Asia, that we had a broader relationship in which we are engaged with the Indians in multiple ways, including in the exchange of intelligence assessments, then the stage would have been set for an easier dialog over CTBT, not the other way around.

And I, again, obviously appreciate the line you have taken, Senator, in trying to put now the horse before the cart. And I think that is really where we ought to be headed as we face into a new Indian Government.

Senator BROWNBACK. Let me ask each of you a final question.

Mr. Wisner, you talked about having an even keel in the relationship between China and India.

And, Dr. Cohen, you have spoken in some terms of a South Asia or an Asia/China/India/Russia balance, not necessarily a strategic use or playing off of India versus China.

If—if you each would have looked down the road 5 to 10 years of—and—and the best case scenario came out in South Asia, what would that relationship look like between the United States, China, India and, I might put in Russia, if you deem it good?

Where would the best place for us be to head in how we relate between those various countries in that region?

Mr. WISNER. Well, I feel that as history has dictated many times over the past several hundred years since the emergence of nation states, that the safest condition for all of us is in a balance of power.

That does not mean that the United States picks favorites or condones the domestic systems of states abroad but that we recognize the need to maintain strong relationships with nations who have—in whose future and who have a serious capacity to affect the security of a major region, Asia in particular.

Now, what are those nations? China, India, Russia, Japan, the United States, for we are an Asian power. We are the most important security presence in Asia.

Where Dr. Cohen made, I thought, a very sound point is that we do not have to choose between one or another, but to engage equally with all and to preserve an American flexibility to join with a group of nations. If one of the nations in the concert that can provide peace and stability acts out of—out of line, threatens the balance, the United States can help create a coalition to rebalance the equation without formal alliances, which the Indians would shy away from.

Without compromising engagements, the United States can through its diplomacy and engagement create—recreate a sense of balance.

I would think it would be a tragedy, that we emerge with a view that the right way to pursue the Indian relationship is to downgrade our China relationship. I certainly do not argue that. I believe engagement with China is in the vital interest of the United States. It happens also to be good for India.

We have an opportunity now to move ahead on the WTO front, to bring China into the WTO and create world blessed set of rules to govern trade with China.

I believe that—I hope very much that the Senate will support China's WTO accession I would hope for an evenhanded approach with each of the major Asians and, indeed, others.

I think the way to look at Asia in the future, in the next century, is that the United States is part of a very delicate arrangement to maintain balance. If that balance is maintained, then your best chance exists for the continuation of peace and security.

Senator BROWNBACK. Mr. Cohen.

Mr. COHEN. I certainly agree with—with the analysis. I would say that it has to be a balance, not only of military power but of, in a sense, economic and cultural power. The major states should be accorded the kind of dignity and respect that they feel they should have.

India, in particular, has been, I think, undervalued by us and by some—some other countries in the world.

I would say that we also have a common interest, not only in averting war between the—these—the major states of Asia, and we

are—we are an Asian power, but we have a shared interest in averting the spread of nuclear weapons.

This is—should be an interest of India's as much as ours. They do not want to see Bangladesh with a nuclear weapon or—or central Asian states busting out with nuclear weapons.

And we also have a shared interest in managing the regions or the states of—of Asia, which are going to fail or which are going to be in deep trouble and which could, by—by splitting apart could cause chaos among them.

I would say that Pakistan is—is at the top of that list in South Asia. Pakistan is a country that has consistently underachieved and is now in a—in a—in a state that is neither democratic or a dictator—dictatorship. It seems to be ignoring its own fundamental obligations to its own people.

And this—this first of all would affect India. A splitting apart of Pakistan, a nuclear armed Pakistan would have tremendous consequences for India itself.

So we have an interest in this. The Chinese have an interest in this. The—and the Indians have an interest in—in managing a relationship with Pakistan to hopefully keep Pakistan democratic and free and stable.

And there are other—other countries in the region, especially in Central Asia, which have that prospect as well. So I would say that there is a shared interest not only in balancing each others' power off, but in helping to manage Asia as a whole.

And—and the Indians in particular should be at the forefront of searching out for other countries with shared—these shared interests, because they are the ones who would be hurt the most, should some of these events take place.

Senator BROWNBACK. Both of you have excellent thoughtful comments, very—very provocative, very carefully stated and obviously yielded from years of experience and work in the region and with India.

Thank you for being here. If there are any additional comments that you wanted to submit to the record, we would certainly be willing to receive those. And I deeply appreciate your thoughtfulness and your willingness to share that with the committee.

The hearing is adjourned.

[Whereupon, at 11:40 a.m., the hearing was adjourned.]

